

THIRD QUARTER TRADING STATEMENT

WEDNESDAY 4 NOVEMBER 2015

Persimmon plc today releases its third quarter Trading Statement which covers the period from 1 July 2015 to 3 November 2015.

As we moved into the autumn selling season customer activity strengthened in line with the traditional seasonality of the market. Our private sales rate in the period since we reported our half year results on 18 August 2015 was 12% ahead of last year, building on the 5% stronger sales rate through the summer weeks. The level of customer interest in our sites has been encouraging with visitor numbers running 5% ahead of last year. Pricing remains robust across our regional markets.

Mortgage approval volumes have continued the positive trend established since the start of the second quarter with approvals for house purchase in September 13% ahead year on year. Mortgage interest rates have remained at attractive levels. With the introduction of improved regulation and Bank of England oversight measures mortgage lenders are required to remain disciplined credit providers. These structural improvements in the mortgage market will, we believe, support a more stable and sustainable outlook for the housing market in the UK in the future.

We expect the Group to continue to generate strong growth having successfully opened 105 new housing developments in the second half to date. This success in achieving implementable detailed planning consents and maintaining the strength of our outlet network is critically important in delivering increased new housing volumes to local communities across the UK. We anticipate opening a further c. 20 new sites in the remaining weeks of this year.

Our growth is further supported by establishing new regional businesses. The Group opened two new businesses in the first half of the year, at Stockton in Teesside and Castle Bromwich in our Central region, which are both trading well. This investment is focussed on maintaining sustainable market share in these regional markets and will ensure that the growth of the business is well controlled and operating efficiencies continue to be maximised.

The Group's drive to capture productivity improvements will support further increases in the number of new homes built, resulting in higher returns on the capital employed in the business being sustained over the long term. Our Space4 insulated panel manufacturing facility will generate increasing efficiency gains with the planned further increases in output. We anticipate that this approach, together with the disciplined deployment of capital within the business, will achieve further improvement in the Group's return on capital employed from 27.5% reported at the half year.

The lower land cost recoveries on legal completions taken from our newly opened sites and the additional cost efficiencies captured from increased production will benefit the second half out-turn. Our operating margin continues to move forward and we expect further progress in the second half of the year from 20.5% achieved in the first six months. We are now fully sold up for the current year and have c. £780 million of forward sales reserved beyond 2015, an increase of 12% on the same point last year (2014: £696 million).

Land availability is improving as a result of the consistent application of the National Planning Policy Framework with Local Plans identifying sustainable locations for residential development in increasing numbers. We remain focussed on investing in high quality land at this point in the cycle to provide a platform for the Group to deliver superior returns and cash generation over the longer term. To date the Group has acquired over 16,000 plots of new land during the current year. Looking ahead, we anticipate further good success in converting our strategic land into land with residential consent and have delivered c. 25% of the replacement land acquired so far this year from our strategic land portfolio.

The cash efficiency of the Group's operations remains a top priority for management, alongside disciplined land replacement. The Group is likely to hold increased cash balances at the year end (31 December 2014: £378.4 million) subject to the timing of further land investment.

We will give a further update on progress and trading following the year end on Thursday 7 January 2016.

Jeff Fairburn and Mike Killoran will host a conference call with analysts at 9.00 a.m. today. To participate please dial +44(0) 20 3427 1918. The password is "Persimmon".

Further information, please contact:
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